

CIRCULAR

CIR/IMD/FII/12/2010

September 29, 2010

To

All Foreign Institutional Investors
through their designated Custodians of Securities
&
Stock Exchanges

Dear Sir/ Madam,

Sub: Compliance with circular dated April 15, 2010.

1. Please refer to the circular dated April 15, 2010 wherein SEBI had mandated all registered FIIs to provide the requisite declarations and the undertakings about their structures to SEBI by September 30, 2010.
2. It was also communicated to FIIs through their custodians that those entities that do not file the requisite information by the stipulated date shall not be able to take fresh positions in the cash as well as the derivatives market w.e.f. October 01, 2010. From this date, non compliant entities could either, retain their current positions or sell off/ unwind.
3. Accordingly, w.e.f. October 01, 2010 the FIIs and sub-accounts that have not complied with the above mentioned requirements will not be permitted to take fresh positions in cash and derivatives markets while they can retain their current positions or sell off/ unwind.
4. SEBI shall place the list of the non compliant entities on the SEBI website – under tab- Statistics- Foreign Institutional Investors- List of non compliant entities.
5. The custodians are requested to bring the contents of this circular to the notice of their respective FII clients.
6. The Stock Exchanges shall bring the contents of this circular to the attention of its trading and clearing members.
7. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

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